GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:333
ANSWERED ON:19.11.2007
WEAVERS HEALTH INSURANCE SCHEME
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of TEXTILES be pleased to state:

(a) the number of handloom weavers insured under the Weavers Health Insurance Scheme;

(b) the total number of claims received and the claims settled by the ICICI Lombard Insurance Company under the scheme during each of the last three years and thereafter;

(c) the total amount paid by the Government to the above insurance company during each of the last three years and thereafter; and

(d) the reasons for choosing a private insurance company by the Government instead of public sector insurance company?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): The Health Insurance Scheme was launched in November 2005. The total number of weavers insured under the scheme during 2005-06 and 2006-07 are 698685 (including new and renewal cases).

(b): The total number of claims received and claims settled by the ICICI Lombard as on August 2007 are as under:-

Year	No. of Claims received by ICICI Lombard	No. of claims settled
2005-06	2,44,806	1,70,906
2006-07	37,183	15,327

(c): The year-wise funds released by Government of India to ICICI Lombard General Insurance Company Ltd., is as under:

	(Rs. in Crore)
2005-06	26.73
2006-07	37.00
2007-08	34.20
Total	97.93

(d): In 2005-06, the Government of India invited proposals from Private & Public Nationalized Insurance Companies namely − "The Oriental Insurance Company Ltd., United India Insurance Company Ltd., National Insurance Company Ltd. and New India Assurance Company Ltd." and other Private Insurance Companies for implementation of Health Insurance Scheme for handloom weavers.

Amongst the Public Sector Insurance Companies, the final offer given by the Oriental Insurance Company Ltd.(OIC) (on behalf of all the Nationalised Insurance Companies) was Rs.10,000/- per family of four members at a premium of Rs.1600/- per family for OPD and Hospitalization. The OPD limit was restricted to Rs.1500/-.

Amongst the Private Insurance Companies except ICICI Lombard General Insurance Company, no other private Insurance Company gave any proposal. The ICICI Lombard offered an insurance cover of Rs.15000/- for a family of four and Rs.7,500/- for OPD at a premium of Rs.1312/-. The offer of the ICICI Lombard was further negotiated and the premium was reduced to Rs.1,000/- per annum.

A comparison of package offered by Oriental Insurance Company Ltd. (a public sector insurance company) and the ICICI Lombard (a private sector insurance company) showed that the premium given by the ICICI Lombard was lesser than that offered by the OIC. The OIC was given an opportunity to match this offer but could not do so especially with regard to the OPD, an important requirement for weavers. Therefore the ICICI Lombard was selected for implementation of Health Insurance Scheme as it offered higher benefits at a lesser rate of premium.

During 2007-08, for implementation of Health Insurance Scheme (a component of Handloom Weavers Comprehensive Welfare Scheme) competitive bids were invited from all insurance companies through open advertisement in newspapers and website through tender/bids. Bids were received from public and private companies. The ICICI Lombard General Insurance Company Ltd., being the lowest bidder has been selected for implementation of the Health Insurance Scheme and hence, the scheme is being implemented through ICICI Lombard General Insurance Company Ltd. in the 11th Plan also. The premium offered by the ICICI Lombard General Insurance Company is 30% lower than the previous premium rate.